

2013 DRAFTING REQUEST

Bill

Received:	12/10/2013	Received By:	mgallagh
Wanted:	Today	Same as LRB:	-2394
For:	Peter Barca (608) 266-5504	By/Representing:	Matt S.
May Contact:		Drafter:	mgallagh
Subject:	Econ. Development - bus. dev. Legislature - miscellaneous	Addl. Drafters:	rchampag
Extra Copies:			

Submit via email: **YES**
 Requester's email: **Rep.Barca@legis.wisconsin.gov**
 Carbon copy (CC) to: **michael.gallagher@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

WEDC Board Composition and Duties

Instructions:

See attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	mgallagh 12/10/2013	csicilia 12/10/2013	jfrantze 12/10/2013	_____	mbarman 12/10/2013	lparisi 12/11/2013	

FE Sent For:

<END>

*Not
Needed*

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/1	mgallagh	12/10 13					

FE Sent For:

<END>

Champagne, Rick

From: Egerer, Matt
Sent: Tuesday, December 10, 2013 11:47 AM
To: Champagne, Rick
Subject: SB 214 WEDC Governance

Rick,

Can I get an assembly companion to SB 214?

Matt Egerer
Office of Representative Peter Barca
Assembly Democratic Leader
608.266.5504



12/10 Today
State of Wisconsin
2013 - 2014 LEGISLATURE



RMR

LRB 2394/1

RAO&MPO:cjs:jf

FAC

MPU

3808/1

2013 SENATE BILL 214

only change is in the header

June 11, 2013 - Introduced by Senators LASSA, T. CULLEN, CARPENTER, LEHMAN, HANSEN, MILLER, SHILLING, WIRCH, VINEHOUT, C. LARSON, HARRIS, L. TAYLOR and ERPENBACH, cosponsored by Representatives BARCA, KAHL, JORGENSEN, HESSELBEIN, KESSLER, KOLSTE, RINGHAND, DANOU, SARGENT, SHANKLAND, BARNES, SMITH, BERNARD SCHABER, WRIGHT, OHNSTAD, BILLINGS, POPE and PASCH. Referred to Committee on Economic Development and Local Government.

SA ✓

Ger Cat

Companion RMR
NO CHANGES IN BODY OF BILL
~~No other changes~~

- 1 AN ACT *to amend* 238.02 (3) and 238.02 (4); *to repeal and recreate* 238.02 (1);
- 2 and *to create* 238.02 (1d), 238.02 (1h) and 238.02 (5) of the statutes; **relating**
- 3 **to:** board of directors of the Wisconsin Economic Development Corporation.

Analysis by the Legislative Reference Bureau

This bill makes all of the following changes to the organization, powers, and duties of the board of directors of the Wisconsin Economic Development Corporation (WEDC):

1. Currently, the WEDC board includes six members who are nominated by the governor and appointed with the advice and consent of the senate and who serve at the pleasure of the governor; three members appointed by the speaker of the assembly, consisting of one majority and one minority party representative to the assembly and one person employed in the private sector; and three members appointed by the senate majority leader, consisting of one majority and one minority party senator and one person employed in the private sector.

Under this bill, the members of the WEDC board nominated by the governor no longer serve at the pleasure of the governor but serve four-year terms. The governor must select nominees from a list of candidates prepared by the WEDC board. In addition, the members of the board appointed by the speaker of the assembly and senate majority leader who are employed in the private sector no longer serve at the pleasure of the speaker or majority leader but serve four-year terms.

2. Under the bill, the WEDC board must prepare a list of candidates from which the governor may nominate members of the board. The WEDC board must include

SENATE BILL 214

on the list at least two candidates for each position. In addition, the board must select candidates who have financial management experience, municipal or regional economic development experience, or private sector business experience. The board must also ensure that some of the candidates have expertise in corporate ethics.

3. Currently, the governor serves as chairperson of the WEDC board. Under the bill, the WEDC board must elect a chairperson. The board must also elect one of its members to serve as a lead director for a two-year term. Under the bill, the lead director is to provide guidance to the WEDC board, facilitate communication between the board and the corporation, and advise the chairperson of the board and the chief executive officer.

4. Currently, the WEDC chief executive officer is nominated by the governor, and with the advice and consent of the senate appointed, to serve at the pleasure of the governor. This bill provides that the board shall appoint the chief executive officer and may not delegate to any WEDC employee the power to appoint or terminate the employment of any executive employee of WEDC.

5. The bill also provides that the WEDC board may not delegate to any WEDC employee the power or duty to develop or implement any internal policy without the board first approving the policy.

6. The bill requires the WEDC board to establish a finance committee consisting of five board members. The members of the finance committee must elect a chairperson. Under the bill, no offers of grants, loans, or tax credits may be made by WEDC to any business without the approval of the finance committee.

7. The bill requires the WEDC board to establish an audit and compliance committee to audit the programs and finances of WEDC and to ensure that WEDC is in compliance with applicable state and federal law. The committee must meet monthly and publish the minutes of its meetings. The committee must also report at each WEDC board meeting on the current compliance of WEDC with applicable state and federal law, the status of any contracts with businesses that are out of compliance with the contract, and what actions have been planned or taken to resolve the compliance issues.

8. The bill provides that the chairpersons of all committees established by the WEDC board must prepare agendas for committee meetings.

9. Finally, the bill provides that if the WEDC board establishes or incorporates a foundation or other entity to solicit funds for economic development in this state, the board must publish a list of all donors on an Internet Web site maintained by WEDC and must include the list in its annual report to the legislature. Under the bill, no person who contributes moneys to the foundation or other entity may participate in any WEDC economic development program for two years from the date of the contribution.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SENATE BILL 214

1 238.02 (1) There is created an authority, which is a public body corporate and
2 politic, to be known as the "Wisconsin Economic Development Corporation." The
3 members of the board shall consist of all of the following:

4 (a) The governor.

5 (b) Six members nominated by the governor, and with the advice and consent
6 of the senate appointed, to serve for 4-year terms. The governor shall nominate
7 members from a slate of candidates prepared by the board under sub. (1d), and at
8 least one of the nominees must be an expert in corporate ethics.

9 (c) Three members appointed by the speaker of the assembly, consisting of one
10 majority and one minority party representative to the assembly, appointed as are the
11 members of standing committees in the assembly.

12 (d) One person appointed by the speaker of the assembly who is employed in
13 the private sector for a 4-year term.

14 (e) Three members appointed by the senate majority leader, consisting of one
15 majority and one minority party senator, appointed as are members of standing
16 committees in the senate.

17 (f) One person appointed by the senate majority leader who is employed in the
18 private sector for a 4-year term.

19 (g) The secretaries of administration and revenue, but as nonvoting members.

20 **SECTION 2.** 238.02 (1d) of the statutes is created to read:

21 238.02 (1d) The board shall prepare a list of candidates from which the
22 governor shall nominate members of the board under sub. (1) (b). The board shall
23 include on the list at least 2 candidates for each position. The board must select
24 candidates who have financial management experience, municipal or regional

SENATE BILL 214**SECTION 2**

1 economic development experience, or private sector business experience. The board
2 shall also ensure that some of the candidates have expertise in corporate ethics.

3 **SECTION 3.** 238.02 (1h) of the statutes is created to read:

4 238.02 (1h) The board shall elect a chairperson. The board shall also elect one
5 of its members to serve as a lead director for a 2-year term. The lead director shall
6 provide guidance to the board, facilitate communication between the board and the
7 corporation, and advise the chairperson of the board and the chief executive officer.

8 **SECTION 4.** 238.02 (3) of the statutes is amended to read:

9 238.02 (3) A chief executive officer shall be ~~nominated by the governor, and~~
10 ~~with the advice and consent of the senate~~ appointed by the board, to serve at the
11 pleasure of the ~~governor~~ board. The board may delegate to the chief executive officer
12 any powers and duties the board considers proper, except any power to appoint or
13 terminate the employment of any executive employee of the corporation or to develop
14 or implement any internal policy without the board first approving the policy. The
15 chief executive officer shall receive such compensation as may be determined by the
16 board.

17 **SECTION 5.** 238.02 (4) of the statutes is amended to read:

18 238.02 (4) All powers and duties assigned to the corporation under this chapter
19 shall be exercised or carried out by the board, unless the board delegates the power
20 or duty to an employee of the corporation. The board may not delegate to an employee
21 of the corporation any power to appoint or terminate the employment of any
22 executive employee of the corporation or to develop or implement any internal policy
23 without the board first approving the policy.

24 **SECTION 6.** 238.02 (5) of the statutes is created to read:

SENATE BILL 214

1 238.02 (5) (a) The board shall establish a finance committee consisting of 5
2 board members. The members of the finance committee shall elect a chairperson.
3 No offers of grants, loans, or tax credits may be made to any business under this
4 chapter without the approval of the finance committee.

5 (b) The board shall establish an audit and compliance committee to audit the
6 programs and finances of the corporation and to ensure that the corporation is in
7 compliance with applicable state and federal law. The committee shall meet monthly
8 and shall publish the minutes of its meetings. The committee shall report at each
9 board meeting on the current compliance of the corporation with applicable state and
10 federal law, the status of any contracts with businesses that are out of compliance
11 with the contract, and what actions have been planned or taken to resolve the
12 compliance issues.

13 (c) The chairpersons of all committees established by the board shall prepare
14 agendas for committee meetings.

15 (d) If the board establishes or incorporates a foundation or other entity to solicit
16 funds for economic development in this state, the board shall publish a list of all
17 donors on an Internet Web site maintained by the corporation and shall include the
18 list in the report under s. 238.07 (1). No person who contributes moneys to the
19 foundation or other entity may participate in any economic development program
20 under this chapter for 2 years from the date of the contribution.

21 **SECTION 7. Nonstatutory provisions.**

22 (1) TERM LIMITS AND STAGGERING OF TERMS.

23 (a) The current members of the board of the Wisconsin Economic Development
24 Corporation who are nominated by the governor under section 238.02 (1), 2011 stats.,

SENATE BILL 214**SECTION 7**

1 shall no longer serve at the pleasure of the governor, but shall have terms expiring
2 as follows:

3 1. The terms of 2 members, as determined by the governor, shall expire on July
4 1, 2015.

5 2. The terms of 2 members, as determined by the governor, shall expire on July
6 1, 2016.

7 3. The terms of 2 members, as determined by the governor, shall expire on July
8 1, 2017.

9 (b) The current member of the board of the Wisconsin Economic Development
10 Corporation who is employed in the private sector and appointed by the speaker of
11 the assembly under section 238.02 (1), 2011 stats., shall no longer serve at the
12 pleasure of the speaker of the assembly but shall have a term expiring on July 1,
13 2014.

14 (c) The current member of the board of the Wisconsin Economic Development
15 Corporation who is employed in the private sector and appointed by the senate
16 majority leader under section 238.02 (1), 2011 stats., shall no longer serve at the
17 pleasure of the senate majority leader but shall have a term expiring on July 1, 2014.

18 (END)

Parisi, Lori

From: Egerer, Matt
Sent: Tuesday, December 10, 2013 3:25 PM
To: LRB.Legal
Subject: Draft Review: LRB -3808/1 Topic: WEDC Board Composition and Duties

Please Jacket LRB -3808/1 for the ASSEMBLY.